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SUBJECT: PARLIAMENT'S COMMITTEE RESTRUCTURING REDUCES  
LABOUR'S CLOUD

**¶1.** (SBU) Summary: As a result of the National Party's strong showing in New Zealand's September elections, the ruling Labour Party's MPs face far stronger opposition in Parliament's select committees, which review proposed legislation. There are signs that National is trying to make life especially difficult for Labour in the Foreign Affairs and Defense Select Committee, which has potential policy implications for us. The new select committee configurations are also likely to reduce Labour's ability to pass ambitious legislation during this term. End Summary.

**¶2.** (SBU) Select Committees are an important part of New Zealand's parliamentary process as they are the principle means by which legislation is scrutinized. Despite their key role, New Zealand parliamentary committees have traditionally been more sedate and far less public than their U.S. Congressional counterparts. When it comes to influencing policy direction, NZ political parties tend to allocate more resources to floor debates rather than select committees. However, after the 2005 election and a subsequent reconfiguration, Labour has lost its dominance in select committee membership across the board. Opposition MPs are therefore more likely to begin to use the committees to increase their influence, and this will make it harder for the Labour Government to promote its legislative agenda.

What's Changed

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**¶3.** (SBU) The 2005 election resulted in a reduced majority for Labour, a surge in support for the National party, and a diminished standing for most minor parties. As a result, National has a far greater representation in the new Parliament and nearly all 18 select committees are now divided equally between Labour and National. This will enable National to more easily disrupt Labour's attempts to pass new legislation. The prominent Foreign Affairs and Defense Select Committee (FASC) is a case in point.

**¶4.** (SBU) FASC was previously led by United Future leader Peter Dunne, a center right politician with close ties to Labour. The new chair is Dianne Yates, a Labour stalwart with strong ties to the party's left. Yates is joined by fellow Labourites Jill Pettis, HV Ross Robertson, and Paul Swain, who was most recently Minister of Immigration. But Labour's taking over the chair will not likely bring any benefit to the Government. For one thing, National now has an equal number of MPs on the Committee. They are: Deputy

Chair Georgina TeHeuheu, Tim Groser, John Hayes, and Murray McCully. Nor can Labour expect support from the committee's ninth member, the Green Party's Keith Locke, despite the fact that the Greens strongly favor Labour over National. Locke is a noted radical on foreign affairs issues, who among other things has criticized New Zealand's military involvement in Afghanistan. He is treated with considerable wariness and reservation by nearly all sitting MPs.

¶ 15. (SBU) In addition to having the numbers to make life more difficult for Labour, the National MPs on the committee include policy heavyweights Groser and Hayes, both former ambassadors with considerable field experience. They will bring intellectual and practical heft that has been long absent from the committee. McCully lacks foreign policy expertise, but has been given the position of National's foreign affairs spokesman because he is a pugnacious debater skilled in the art of the attack. His target? NZ First leader Winston Peters, who holds the unorthodox position of Foreign Minister outside of Cabinet.  
National's Cunning Plan

¶ 16. (SBU) National regards the unpredictable Peters and his position outside Cabinet as the chink in the Governing arrangement's armor. The party has made no secret of it's strategy to question both the suitability of Peters as Foreign Minister and the delicate arrangement that allows him to hold the position. Most of National's attacks have been during floor debates in the House. While few Kiwis seem to have become interested in the issue before Parliament's summer recess, they may become more engaged once Peters returns to New Zealand from a long series of foreign trips, and once Parliament is back in session and members of the media return to work. In order to boost its attacks on Peters, it's very possible that National will take a

parallel, more policy-oriented strategy within the FASC by providing greater and more exacting scrutiny of the Government,s foreign affairs policies and proposed legislation.

¶ 17. (SBU) Indeed, National has apparently already set in motion a more muscular approach to contesting policy via the committee. Prior to the election, the previous FASC members conducted hearings on the 2002 Terrorism Suppression Act. This legislation complies with UNSC resolutions 1267 and ¶ 11373. Because there was some controversy - on human rights grounds - when the legislation was passed, a provision was included requiring a FASC review of the Act's key provisions.

The review was to be reported back to Parliament by December 1, 2005. In order to meet this deadline, the new FASC members were hurriedly briefed by officials and asked to finalize the report. National party committee members were critical of the report, with McCully leading the offensive by publicly arguing that it rang alarm bells both about the legislation and the way it is being used (or not used) by the New Zealand authorities. Although the issue received scant coverage in the national media and did not substantially bruise the Government, it could signal a more aggressive strategy by FASC,s National party members.

Comment

¶ 18. (SBU) Labour can always limit its travails in the FASC by limiting its foreign policy initiatives this term. Both the potential for dust-ups in the committee on the one hand, and the potential for stagnation on the other, could have policy implications for us. The Embassy will continue to monitor the committee closely. FASC aside, the Government will have to choose to fight at least some battles within the select committees, or risk relative impotence during this third Labour term.

Burnett